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UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990s

Report of the Secretary-General

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I. INTRODUCTION

1. The economic and social crisis confronting Africa throughout the 1980s has continued into the 1990s and has been compounded by emergencies brought about by severe droughts and social turmoil. Among the adverse factors that impaired the actions taken by both African countries and the international community for the continent's socio-economic recovery are: structural handicaps including the excessive fragmentation of the continent in terms of political and economic units; the heavy dependence of the African economies on few primary export commodities; inadequate human resources and weak institutional capacities to support and sustain the development process from within; the unfavourable international environment and more especially the deteriorating terms of trade, the burden of debt servicing and the stagnating flow of external resources; and the continuing high rate of population growth. Moreover, most African countries also entered the decade of the 1990s confronted by multiple environmental crises. These, among other factors, have led to a marked reduction in the current capacity of the land, as well as destruction of its biological potential. The social consequences have been, inter alia, increasingly skewed income distribution, rising open and disguised unemployment and widespread poverty.

2. It was against this background that the African countries, collectively and together with the international community, adopted plans and strategies aimed at arresting the trend of socio-economic decline experienced by many of them. Specifically, during the 1980s, many countries embarked on Stabilization and Structural Adjustment Programmes (SAPs), largely supported by the international donor community led by the International Monetary Fund (IMF) and the World Bank. In addition, the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 was unanimously adopted by the General Assembly at its thirteenth special session (resolution S/13-2 of 1 June 1986).

3. In its assessment of the implementation of the Programme of Action the General Assembly, at its forty-sixth session, concluded that the results achieved fell short of the expectations of both African countries and the international community. The circumstances that had led to its adoption still prevailed. The General Assembly, therefore, adopted a new initiative, the United Nations New Agenda for the Development of Africa in the 1990s (resolution 46/151 of 18 December 1991, annex, part II). The New Agenda constitutes a renewed commitment to African development based on the principle of shared responsibility and full partnership between Africa and the international community. African Governments and people reiterated their primary responsibility for their development and the international community expressed its commitment to give "full and tangible support to the African effort".

4. The Agenda clearly defines the respective responsibilities of African countries, of the international community at large and of the United Nations system as follows:

(a) African countries, individually and collectively, should aim at achieving the economic reforms necessary for sustainable growth and development, promoting subregional and regional cooperation and integration; intensifying the democratization process and giving due consideration to key elements such as the

human dimension, population, environment, agriculture and food security; and revitalizing South/South cooperation and the role of non-governmental organizations (NGOs);

(b) Actions expected from the international community at large include the search for a solution to the debt problem, the provision of additional resources and the support of African efforts towards economic diversification and integration;

(c) The United Nations system is expected to play a major role, especially through implementing specific programmes consistent with the objectives of the Agenda and mobilizing and devoting adequate resources for their implementation.

5. A major difference from the earlier programme is that the New Agenda has set specific targets to be achieved in the 1990s. These include a desirable average annual growth rate of GDP of at least 6 per cent per annum and a minimum of US$ 30 billion in net Official Development Assistance (ODA) in 1992, after which GDP would need to grow at an average rate of 4 per cent per annum.

6. The broad objectives of the New Agenda are shared by other international and regional action programmes, including the Cartagena Commitment adopted by the United Nations Conference on Trade and Development (UNCTAD) at its eighth session, Agenda 21 on Sustainable Development adopted by the United Nations Conference on Environment and Development, the Programme of Action for the Least Developed Countries for the 1990s, the World Bank Special Programme of Assistance for Africa, the United Nations Population Fund Strategy of Assistance to Sub-Saharan Africa, the African Capacity-Building Initiative (ACBI), the United Nations Transport and Communications Decade for Africa, the Industrial Development Decade for Africa, the Priority Africa Programme of the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the Abuja Treaty establishing the African Economic Community (AEC). Actions towards the successful implementation of the New Agenda and those programmes are therefore mutually reinforcing.

7. In conformity with the established follow-up machinery, the present report is the first of a series provided for in paragraph 43 of the New Agenda. As a preliminary assessment, two years after its adoption, the report focuses on an overview of the global factors relevant to the successful implementation of the Agenda; a review of major actions taken in support of African socio-economic recovery and development; the analysis of elements of concern within the Africa region; and actions required for reinforcing the basis for the implementation of the Agenda, in addition to the activities already initiated and contributions made by various development agencies and organizations, especially in the United Nations system.

II. GLOBAL FACTORS RELEVANT TO THE SUCCESSFUL IMPLEMENTATION OF THE NEW AGENDA

1. The world economy

8. The international economic environment will remain in the 1990s an important factor for growth and development in developing countries, including Africa. Specifically, such aspects as the expansion of world trade, the prices of primary commodities, and the flow of external resources will play an important role in the economic performance of the African region. The trends of these factors are not easy to predict.

9. The outlook with respect to the world economy in the 1990s is mixed. The general forecast is that economic activity in the countries of the Organization for Cooperation and Development (OECD) over the next 10 years will result in a relatively slow growth. In 1992, economic growth in the seven major industrialized countries was in the range of 1 to 2 per cent, and is projected at about 2.7 per cent per annum for the 1992-2002 period. This is not encouraging for Africa.

10. Indeed, if the trends of lower growth rates in the industrial world and further declines in commodity prices continue, they will carry very troubling implications for this region and the prospect will be one of negative growth of per capita GDP and consumption.

11. The volume of world trade is expected to grow at an average annual rate of about 5.8 per cent in the 1990s, compared to 3.7 per cent during the 1980s. However, the expected expansion will relate to manufactures and services and to a lesser extent to primary commodities, which form the bulk of Africa's exports. Similarly, trade links will be closely associated with development capital. The new pattern of development finance will be an increased share of foreign direct investment, mainly in fast-growing developing countries. For the Africa region, foreign direct investment will still be directed to selected mineral and oil-exporting countries. It is therefore likely that the majority of African countries will continue to rely on concessional loans or grants from official sources.

2. The commodity issue

12. The prospects of the commodity sector will have direct implications for African economic recovery in the 1990s, since primary commodities still account for 90 per cent of Africa's exports. While the reasons behind this are several, it is clear from comparison of national experiences in recent years that those countries with a relatively high GNP growth have had fewer problems in diversification. Moreover, in those countries where commodity dependency is high, diversification seems to take place when traditional commodity sectors are strong, rather than when these sectors are in decline. The success stories of commodity-related export diversification in high- and middle-income developing countries demonstrate that it has usually resulted from a combination of various favourable basic indigenous factors and external and domestic factors and conditions.

13. The latest forecast by the World Bank for the period 1992-2000 indicates that commodity prices are expected to remain volatile, though the downward trends observed during the past two decades might end. While oil price remained constant in nominal terms, its protected index in real terms shows a decline from 76.2 in 1992 to 73.3 in 1995 (1990=100); the index of non-fuel (also in real terms) is expected to increase slightly, from 85.3 in 1993 to 96.1 in 2000. The price of agricultural commodities could rise substantially if the production of perennial crops continues to decline in some countries and if world demand expands as a result of sustained economic activity in the reforming former socialist countries.

3. Trends in international cooperation for development

14. The post-cold war international cooperation for development has gone through fundamental changes. The major emerging features for the 1990s are outlined below.

(a) Slowly expanding supply of development assistance

15. Official Development Assistance (ODA), comprising grants and concessional loans, accounted for a third of total resource flows to developing countries in 1992. For Africa, this category of resources accounted for about two thirds of total flows and will continue to be dominant in the forthcoming years. In view of the past trend, it is unlikely that the level of ODA to Africa will grow substantially during the 1990s, in view of the slow growth in the aid budgets of donor countries. Available data show that, as a percentage of GNP in the countries of the OECD Development Assistance Committee (DAC), ODA averaged 0.32 in 1978-1982, 0.33 in 1983-1987 and 0.33 for 1991. Indeed, the most likely scenario among the various alternatives envisaged by the OECD countries is that ODA flows in the 1990s are likely to resemble those of the 1980s.

(b) Increased competition among countries and regions for capital

16. For Africa, competition in attracting capital will inevitably be more difficult, given the demand from the reforming countries of Eastern Europe and the former Soviet Union. Hence, unless donors take steps to ensure that resources allocated to new claimants are additional, the diversion of available assistance will be of great concern to traditional recipients, African countries in particular. In addition, the growing "compassion fatigue" and the widespread opinion among taxpayers of donor countries concerning wastage of aid, corruption and capital flight associated with it and highlighted by the media could be a justification for the further reduction of non-emergency aid to Africa or its diversion to other regions.

(c) New priorities of the major donor countries and multilateral financial institutions

17. Aid allocation is increasingly determined on the basis of new priorities. Prominent among these are economic reform and structural adjustment programmes, efficient management, environmental protection and management, poverty alleviation, human resources development, private enterprise development, good governance and observance of human rights and the rule of law. In particular

the growing appreciation of the global nature of environmental problems and their implications has led to a new and more serious approach to localized environmental issues. The international community at large has displayed a greater willingness to address environmental threats on a global basis as was demonstrated at the Earth Summit in June 1992 by the signing of important conventions in the areas of climate change and biodiversity.

4. The Uruguay Round and international trade relations

18. One matter of concern to developing countries and especially to Africa in the 1990s is the outcome of the Uruguay Round Negotiations. If not concluded successfully, the result could be, inter alia, the emergence of regionalism and trading blocs and increased protectionism. Even if the negotiations are concluded on the basis of existing terms, they would be of only limited short-term benefit to Africa because the bulk of the region's exports already face relatively low tariffs.

19. The overriding and most challenging task for African countries is how to respond to the changing market conditions, particularly with regard to major structural obstacles aggravated by technological backwardness that remains to be overcome. The potential benefits for those countries expected to be beneficiaries from multilateral trade liberalization must be seen in this context. There is a danger that unless the special needs of those countries are addressed in a broader context, trade liberalization by itself - its virtue notwithstanding - may slow rather than facilitate economic reforms.

20. Moreover, African participants in the Uruguay Round express genuine concerns over the likely erosion of preferential tariff margins that they currently enjoy, particularly those within the frameworks of the Most Favoured Nations tariff (MFN) and the Lomé Convention.

21. As net food importers, most African countries are likely to be adversely affected by the agricultural trade liberalization process, which is expected to result in high world food prices, particularly for highly protected temperate zone agricultural products. These countries have called for appropriate and adequate compensatory measures to minimize such possible adverse impacts.

22. There is therefore no doubt that one of the special needs of African countries in the post-Uruguay Round period will be to strengthen and enhance their capacity to compete in the global market, as well as to promote intra-African trade. Irrespective of the outcome of the Round, innovative ways to upgrade their technological skills, improve their service infrastructure for the support of production and trade, as well as transfer of technology, will be crucial in this regard. The new international regime of the protection of intellectual property rights should tend to provide new opportunities for developing countries with regard to the access and diffusion of technologies, rather than strengthen the monopolistic privileges favoured by multinational firms. The new system should seek to strike a balance between the need to encourage innovation and technological progress and the access and diffusion of technologies to developing countries.

5. South/South cooperation

23. The potential of South/South cooperation for Africa is immense. However, important tasks remain to be performed to forge solid links among developing countries, including the improvement of communication networks, and the realization of effective economic integration of the various developing regions. Africa could benefit greatly from the experiences of other developing countries, especially in East Asia and other newly industrialized countries.

III. MAJOR ACTIONS IN SUPPORT OF AFRICAN SOCIO-ECONOMIC RECOVERY AND DEVELOPMENT

1. Promoting the implementation of the New Agenda

24. Following the adoption of the New Agenda, a number of initiatives were taken, especially with respect to the mobilization and streamlining of the efforts of the international community at large in support of Africa's social and economic recovery. Efforts have also been made to establish the necessary machinery for coordination, follow-up and monitoring. In 1992 the Secretary-General established a Panel of High-level Personalities on African Development, and a Special Coordinator for Africa and the least developed countries was appointed in the Department of Policy Coordination and Sustainable Development.

25. With the primary objective of providing regular advice to the Secretary-General on strategies and practical options for speeding up the implementation of the New Agenda the Panel of eminent African and non-African personalities and high-level officials from the United Nations system held its first meeting in December 1992, in Geneva, and provided the opportunity to launch the New Agenda officially. A second meeting was held in May 1993 in Rome. During the meetings, the Panel reviewed key factors related to the successful implementation of the New Agenda, including the diversification of African economies, the debt issue, and the coordination of the activities of non-governmental organizations with those of national Governments and the United Nations system.

26. It should also be recalled that during the final review and appraisal of the United Nations Programme of Action for African Economic Recovery and Development by the General Assembly, the Government of Japan offered to organize the Tokyo Conference on African Development. Subsequently, in collaboration with the United Nations and the Global Coalition for Africa, preparatory meetings were held in Tokyo, New York and Arusha, culminating in the Conference itself in October 1993 and the adoption of the Tokyo Declaration.

27. Raising global awareness and widely disseminating information on Africa's critical social and economic situation is essential to the successful implementation of the New Agenda for African Development. Africa Recovery, edited by the Department of Public Information, remains a valuable tool for this purpose. Its coverage now includes democratic changes, as well as peace-keeping operations in Africa.

28. With a view to strengthening the coordination, follow-up and monitoring of the implementation of the New Agenda for African Development, the United Nations

Inter-Agency Task Force on African Economic Recovery and Development, which includes all organizations of the United Nations system, the Organization of African Unity (OAU), the African Development Bank (ADB), the GCA and the NGO liaison organs for non-governmental organizations, has been revitalized. In order to involve African countries in the follow-up and monitoring process, a regional network to support the process has been established with the support of the Economic Commission for Africa (ECA) and the United Nations Development Programme (UNDP).

29. In addition, before the adoption of the New Agenda, the General Assembly had decided that a System-Wide Plan of Action for African Economic Recovery and Development should be prepared to strengthen the impact of the United Nations system on African development. The Plan was subsequently formulated with the inputs of all bodies of the system, and adopted by the General Assembly at its forty-seventh session. It has thus become a major contribution of the United Nations system to the New Agenda. As the contributing bodies periodically review and revise their respective plans and programmes to take into account the changing circumstances in Africa, the System-Wide Plan of Action is updated accordingly.

2. Promoting economic growth, environmental management and supporting poverty alleviation programmes

30. As indicated in paragraph 2 above, more than 30 African countries are currently implementing macroeconomic stabilization and structural adjustment programmes initiated in the mid-1980s with the support of the IMF and the World Bank. Such programmes emphasize reducing budget deficits, maintaining moderate inflation, adopting realistic exchange rates and disengaging the State from some economic activities. In the productive sectors, reforms are directed to price and market liberalization and the introduction of various incentives, especially in the agricultural sector. It has been reported that countries implementing adjustment programmes with determination have generally recorded higher growth performance than those that have not undertaken such measures.

31. Although the international community has consistently expressed its full support for economic reforms in Africa that support has not been translated into adequate financial assistance. Bilateral financial assistance to Africa, consisting mainly of ODA in the form of grants and concessional loans fell from $12 billion in 1990 to $10.7 billion in 1991. However, several bilateral creditors have provided debt relief to many African countries, generally through cancellation at a larger scale, especially for the least developed.

32. With respect to multilateral financial assistance, the main sources for African countries are the World Bank Group, IMF, ADB, the International Fund for Agricultural Development (IFAD), and the European Community. Through its lending programme, the World Bank Group committed $3.9 billion to Sub-Saharan Africa in 1990 and $3.4 billion in 1991; the share of concessional lending from the International Development Agency (IDA) rose from 72 per cent to 80 per cent. Total IMF credit and loans outstanding to Africa amounted to SDRs 5,750 in 1990, SDRs 5,883 in 1991, and SDRs 5,741 in 1992. In view of the fact that several poor countries were unable to meet their obligations, the Fund introduced a concessional lending programme for them.

33. For its Third Five-Year Operational Programme (1992-1996), the ADB Group increased concessional resources, especially for projects and programmes in the agricultural and social sectors. Total disbursements of the ADB Group increased by 13.5 per cent between 1990 and 1991. In 1992, ADB Group disbursements totalled $2.2 billion, an increase of 1.7 per cent from the previous year. In addition, about 60 per cent of total disbursements came from the African Development Fund (ADF) on very soft terms.

34. IFAD's cumulative assistance to the African region under the regular programme amounted to $988 million by the end of 1992, consisting of approximately $980 million in loans and $7.4 million in grants. In addition, the Fund's Special Programme for Sub-Saharan African countries affected by drought and desertification contributed approximately $28.2 million to specific projects. The disbursements of the European Community stagnated in current terms, with $1.6 billion in 1990 and $1.7 billion in 1991.

35. Efforts to improve food security in Africa have been supported by the work of the Food and Agricultural Organization of the United Nations (FAO) on disaster preparedness, including over 20 national and subregional early warning and food information projects, the development of comprehensive food security programmes and the promotion of sustainable productivity increase in fragile areas. Poverty and environmental degradation often interact to create a downward spiral of poverty and food insecurity that leads to further environmental damage.

36. In response to a request by the General Assembly, FAO has undertaken, on behalf of the Secretary-General, a study on the need for and feasibility of the establishment of a diversification fund for African commodities. The report, which is submitted to the General Assembly for its consideration, recommends that a Diversification Facility for African Commodities be set up in the African Development Bank for an initial period of three to four years with resources of $50-75 million. It also recommends the establishment of National Diversification Councils at the national level, comprising representatives of Government, the private sector (including NGOs), the scientific community and multilateral organizations, to generate a stream of project proposals that fit into national diversification programmes and priorities.

37. Past efforts by African countries in the development of human resources have undoubtedly yielded substantial results. The region achieved a significant reduction in adult illiteracy, as well as dramatic improvements in such crucial areas as health, education, nutrition and shelter. However, because of lack of adequate resources, such efforts have not been sustained, and the situation deteriorated in the 1980s. The ILO has supported education and training as preconditions for achieving economic growth and as vital ingredients for the success of adjustment programmes. The share of Africa in ILO global technical cooperation continues to exceed 50 per cent of the total. The support of the international community, which has been so important, needs to be increased and expanded.

38. The recently established framework of the African Capacity-Building Initiative will promote a fundamental change in international attitudes with respect to technical assistance and the development of endogenous capacities. Practical support for this initiative has started with the Capacity-Building

Foundation established by the ADB, UNDP and the World Bank with the support of the donor community. Based on the programme initiated by these organizations, UNESCO has organized multidisciplinary training workshops in many African countries for the identification, preparation and evaluation of development projects, taking into account educational, cultural and scientific factors.

39. In the context of the implementation of the Global Strategy for Shelter to the Year 2000, and in support of the capacity-building objectives of the New Agenda, the United Nations Centre for Human Settlements (Habitat), in 1992, assisted several African countries in development of national shelter strategies. In addition, in 1992 the Centre had 124 technical cooperation projects under execution in 29 countries in Africa, with a total budget of $58.6 million.

40. Firmly determined to implement the recommendations of the 1992 Earth Summit, African countries have promoted environmental protection, individually or collectively, by the control of deforestation, the management of natural resources and the introduction of environment laws in the mining and industrial sectors. Issues, priorities and goals of the African environment programme are embodied in the African Common Position on Environment and Development, which was endorsed by the OAU and noted in the recommendations of the Summit.

41. The programmes and activities of many development agencies, including intergovernmental and non-governmental organizations, as well as the United Nations system, have incorporated elements related to environmental sustainability. The United Nations Environment Programme (UNEP) has taken a leading role in this area and has continued to assist African countries in reinforcing their national institutions dealing with environmental management, in the formulation of environmental legislation, as well as in training and public information and awareness. Networking activities are being developed in major natural resources subject areas, including environmental monitoring, energy, water resources, biodiversity, climatology and soils and fertilizers.

42. The actions taken by the United Nations system for the protection of the environment, combating desertification and preserving biodiversity in Africa have been strengthened in recent years. In this regard, the adoption of Agenda 21 and its chapter 12 on Land Degradation and Desertification in particular, the establishment of the Commission on Sustainable Development, the ongoing negotiations of the Intergovernmental Committee for international convention on desertification and, finally, the decision to address land degradation and desertification within the Global Environmental Facility (GEF) as they relate to its priority areas are important initiatives for the implementation of the New Agenda.

43. The Third African Population Conference, held in 1992, provided the opportunity to assess the efforts made by African Governments towards the implementation of the Kilimanjaro Programme of Action for African Population and Self-reliant Development. In the resulting Dakar/Ngor Declaration on Population, Family and Sustainable Development, the Governments proclaimed their unanimous commitment to address population issues as an integral part of the socio-economic development process. It is encouraging to note that almost all African countries have incorporated population variables into their development plans or structural adjustment programmes, and that 18 countries have officially

adopted population policies. The Fourth United Nations Conference on Population will provide the opportunity to take stock of further achievements.

44. In support of African national and regional population programmes, the international community at large, largely through the United Nations Population Fund, provided both technical and financial assistance to improve knowledge of the demographic situation in Africa, for analysis and research, for the formulation and implementation of population policies and for training programmes. UNFPA total assistance to Africa amounted to $32 million in 1992, of which about $13.5 million was earmarked for support of training programmes.

3. Promoting subregional and regional economic cooperation and integration

45. The signing of the Treaty establishing the African Economic Community (AEC) in June 1991, in Abuja, Nigeria, constituted a renewed commitment by African countries to making the integration process a reality. The General Secretariat of OAU, in cooperation with ECA, the ADB, the Subregional Economic Communities and other organizations of the United Nations system, and with the financial support of UNDP, has been providing assistance to African countries for the preparation of the protocols.

46. At the subregional level, the Heads of State and Government of the Economic Community of West African States (ECOWAS) have adopted guidelines for the free movements of goods and people, including the participation of nationals of member countries in sharing the capital of intra-community businesses. In Southern Africa, the Heads of State and Government have established the Southern Africa Development Community (SADC) to replace the Southern Africa Development Coordination Conference (SADCC). Efforts are also under way, in the Preferential Trade Area for Eastern and Southern Africa, to establish a Common Market for Eastern and Southern Africa (COMESA). Multisectoral and sectoral programmes are also being promoted by ECA, in West Africa, Central Africa, and North Africa within the framework of the Arab Maghreb Union.

47. As the New Agenda emphasizes, the support of the international community to the integration process in Africa is essential. In this regard, some donor countries and organizations have already taken steps to adapt their aid programmes to include the regional dimension. The United Nations system has also assumed a greater role in supporting the process of economic cooperation and integration in Africa. The specialized agencies have expanded their regional programmes in support of the activities of African intergovernmental organizations, and ECA has continued to play a leading role in promoting both global and sectoral strategies in this area. It should, however, be stressed that the initiatives of the international community in supporting economic cooperation and integration in Africa, should be consistent with Africa's own efforts in the context of the implementation of the Abuja Treaty.

48. It must also be noted that the Trade and Development Board of UNCTAD, at its thirty-ninth session in March 1993, discussed UNCTAD's contribution to the implementation of the New Agenda, in particular the issues of regional cooperation in Africa and UNCTAD's technical cooperation activities on that continent. The Board endorsed the recommendations on regional integration, with

a particular emphasis on support for transport and communications infrastructures, transit facilities and structural adjustment. It was suggested that other subregional groupings, such as ECOWAS and the Maghreb Arab Union, consider establishing forums for dialogue with their development partners along the lines developed by the SADC countries.

4. Addressing emergencies

49. The United Nations system has been in the forefront of emergency operations in Africa, not only in providing and coordinating assistance, but also in devising short-, medium- and long-term strategies for preventing or minimizing the occurrence of emergencies. In this regard, the specialized agencies, programmes and funds have contributed substantial resources to disaster management and mitigation in Africa.

50. The region is currently experiencing several prolonged conflicts, especially in Angola, Liberia and Somalia. It is encouraging to note that efforts are under way to establish, within the framework of the OAU, a regional mechanism for conflict management and resolution. Such an initiative would no doubt effectively complement the efforts of the United Nations in these and other existing and potential conflict areas.

51. In addition to the United Nations peace-keeping operations, the various responses of the system have involved several of its bodies, especially the Office of the United Nations High Commissioner for Refugees (UNHCR), the World Food Programme (WFP), and the United Nations Children's Fund (UNICEF), in close cooperation with intergovernmental and non-governmental organizations. In addition, UNESCO is implementing the Agenda for Peace through various activities based on the concept of the culture of peace, such as Islands of Education for Peace in Somalia and assistance to a variety of emergency efforts to continue or restore educational facilities in other countries in conflict. Moreover, the coordinating role of the United Nations Department of Humanitarian Affairs has been instrumental in the organization and delivery of emergency assistance.

IV. SPECIFIC ELEMENTS OF CONCERN WITHIN THE AFRICAN REGION

1. Overall economic situation and outlook

52. To varying degrees, as they did in the 1980s, African countries have entered the 1990s with multifaceted crises in such major areas as food security, population, housing, public health, education, energy, industrial production, trade, debt and environment. During the first three years of the present decade, the GDP of the region as a whole grew, on average, by a mere 2.1 per cent per annum. With output growing on average far less than population, per capita income fell by more than 15 per cent from 1980 to 1992. The average growth rate for the region was one half to one third of the average for developing countries as a whole, whose growth rate, according to the UNCTAD Trade and Development Report for 1993, since the beginning of the decade, has been close to 4.5 per cent per annum or an increase in per capita income of more than 2 per cent.

53. As the African region is vast and diverse, economic performance has varied from one subregion to another. The growth rate was above average in North Africa (3.8 per cent) and in West Africa (2.4 per cent). By contrast, the Eastern and Southern Africa and the Central Africa subregions showed GDP growth rates of less than 1 per cent and 1.2 per cent respectively.

54. The situation of the food and agricultural sector, the backbone of the economies of most African countries, has not improved significantly. Food production remained a cause for concern, especially with the severe drought that affected the Eastern and Southern Africa subregion during the early 1990s. The level of self-sufficiency of the continent in major basic food commodities stagnated where it did not deteriorate. Consequently, food imports continued to rise, amounting to $12.2 billion in 1990/91; food-aid amounted to 5.4 million metric tons.

55. The export of commodities from sub-Saharan Africa declined by almost 15 per cent during 1990-1992 and the value of exports hardly exceeded its 1990 level of about $80 billion. By contrast, imports rose from $77 billion in 1990 to $83 billion in 1992, a situation that further increased the current account deficit, estimated at approximately $10 billion in 1992.

56. While the overall economic situation remains troubling, not all African countries are in decline. For example, countries implementing economic and social reforms with determination have generally recorded satisfactory growth performance, while the countries confronted by emergencies brought about by man-made or natural disasters and/or by severe indebtedness performed at a lower level.

2. Population pressures

57. In general, Africa's economic development has not kept pace with its population growth rate. These rates exceeded economic growth rates in 32 African countries during the 1980s. Only in eight countries was economic growth consistently higher. Rapid population growth therefore represents a challenge to African countries, as the following demographic indicators demonstrate:

(a) Africa's annual population growth rate averaged 3 per cent (1985-1990) in comparison with averages for Asia and Latin America, which are 1.9 and 2.1 per cent respectively. By the end of this century, Africa is projected to have a population of 867 million (almost four times that of 1950) and, by 2025, nearly 1.6 billion, or more than seven times that of 1950 and more than twice its increase from the 1993 level;

(b) Africa's urban population is expected to grow by more than 700 million between 1990 and 2025, a figure larger than the current population of the entire continent;

(c) By 2025, Africa's labour force will total about 650 million, more than the estimated number of workers in all the developed countries combined.

58. On average, an African woman will give birth to six or more children, as compared to four in Latin America, three in Asia and only two in developed countries.

59. The world, as well as Africa, is confronted with a daunting challenge: the urgent necessity of bringing human numbers and growing needs into better balance with available resources, while limiting the pace of environmental destruction. For Africa the following characteristics need to be stressed:

(a) Arable land: It is estimated that during the mid-1980s, some 40 per cent of the African land area lost more than 10 per cent of its productive potential, while 17 per cent of the land area lost more than 50 per cent of its yield potential;

(b) Water: In 1982, only six African countries, with a total population of 65 million, faced water stress or scarcity. By the year 2025, however, the number of countries affected may rise to 21, with 1.1 billion people (two thirds of the population of the continent);

(c) Air pollution: Population growth is a major contributor to greenhouse gases and thus to global warming, which brings with it the prospect of rising sealevels, reduced food security and increased loss of species. Population growth accounted for 68 per cent of the increase in sub-Saharan Africa's carbon dioxide output between 1980 and 1988;

(d) Biodiversity: According to a recent international study, there is a clear statistical link between population density and wildlife habitat loss in many countries in Africa and Asia. Africa is thought to have lost almost 30 per cent of its original wetland area since 1900 due to drainage for agriculture and clearance for forestry, urban and tourist development.

60. Environmental degradation and resource depletion are closely linked to population trends and non-sustainable agricultural production systems. The actual pressure, associated with low farming productivity and shifting cultivation, is severely degrading African ecosystems. The result is that forests are shrinking and water tables falling and, in consequence, there is escalating desertification and increased frequency and intensity of droughts. If current trends continue, sub-Saharan Africa, which accounts for almost the totality of the continent's woodlands, has less than 75 years before irreparable damage to forests, water supplies, plant and animal species occurs. Soil degradation and the subsequent fall of crop yields is a real threat to Africa's survival. It has also been established that a total of 6 million hectares of land is reduced yearly to near or complete infertility and that about 17 million hectares of Africa's total cultivable land area of 790 million hectares could be lost in the long run if the present trend in soil degradation is not arrested.

3. The weak human resource base

61. Africa has made tremendous efforts in promoting human resource development programmes with positive effects on health and education. However, these efforts were mainly focused on the urban areas at the expense of the rural populations, most of which are engaged in the production of food and agricultural commodities. Thus the pillar of the economies of most countries still suffers from backwardness, largely as a result of the neglect of the human dimension of development in the rural sector.

62. While considerable efforts have been directed to the expansion of education and training infrastructures, the results have been relatively limited, since women have had little or no access to schooling. Actually, it is the general view that the situation of women in Africa is far more critical than that of their male counterparts. The structural discrimination against women, who represent at least half of the total population, is a major reason for Africa's underdevelopment.

63. One important aspect of skill development in Africa is the problem of the emigration of a large number of graduates and senior staff who have been trained in industrialized countries. The brain drain issue, emphasized in the Lagos Plan of Action, in the New Agenda and in the annual Human Development Report published by UNDP, is still unresolved.

64. In spite of substantial investments in the development of roads, ports, telecommunications and power infrastructures, based on the objectives of the first United Nations Transport and Communications Decade in Africa (UNTACDA), underdevelopment in these areas remains a major constraint on development in general. If the programme for the second UNTACDA is not fully implemented, the integration of the region will be delayed further.

65. There are also serious institutional weaknesses in African countries; many administrations can hardly cope with their basic tasks. Bureaucracies are overstaffed with poorly qualified personnel. Their inefficient administration and lack of reliability continue to undermine the functioning of the public sector. Consequently, institutional ability to devise policies conducive to the creation of an enabling environment for the development of dynamic, responsive and competitive economies falls far short of need.

66. Another consequence of the underdevelopment of human and institutional capacities is Africa's failure to industrialize during the past three decades. The region has remained the least industrialized in the world. While it accounts for over 11 per cent of the world total population, its share of the world industrial output is less than 1 per cent. The main problems confronting industrial development of the region continue to be lack of intra- and intersectoral linkages, especially between agriculture and industry, little emphasis on capital and intermediate goods industries, overemphasis on import substitution industries relative to the size of domestic demand; concentration on medium- and large-scale capital intensive industries and neglect of small-scale and labour intensive industries; heavy dependence on external inputs; lack of technological know-how to adopt, adapt and develop required techniques, as well as lack of skills to manage and maintain industrial facilities; inadequacy of incentive policies and the excesses of misapplication of business

regulations. The programme of the Second United Nations Industrial Development Decade for Africa, 1993-2002, is intended to address these problems.

67. In spite of existing potentials, energy deficiencies also continue to constrain economic activity in general and industrial development in particular. These constraints, if not removed, will seriously affect the diversification of economic activity, especially exports, employment creation and improving the living standards.

68. It should be stressed that poor economic performance does not adequately convey the most critical feature of African social conditions. Poverty, malnutrition, poor health conditions, illiteracy, low life expectancy and high maternal and child mortality rates are greater in Africa than in any other developing region. It has been established that the number of people living in absolute poverty, which was 85 million in 1985, could reach 265 million by the year 2000. The number of malnourished people increased from 80 million in 1970 to 142 million in 1983-1985, and may be as high as 250 million at the end of the century. Open and disguised unemployment in sub-Saharan Africa increased by one sixth between 1980 and 1988. At this rate, even if the 6 per cent average annual growth rate were to be achieved, most African countries would still require 25 years to reach an acceptable level of unemployment.

4. Resource gap in financing Africa's economic recovery and development

69. While foreign direct investment has supplemented domestic resources in other developing regions that recorded high economic growth rates during the 1970s and 1980s, the share of Africa has been so far negligible. Africa is generally viewed as having an unfavourable investment climate. Specifically, African economies are characterized by a low level of per capita income, high marginal propensity to consume and low gross domestic saving (GDS) rates in proportion to national income. In the majority of African countries over the last three decades, the public saving rate has hardly exceeded 5 per cent of GDP. Thus, domestic investment has been minimal. For the Least Developed Countries (LDCs) as a group, over the 1980s, the share of Gross Domestic Investment (GDI) in GDP averaged 15.3 per cent against only 3.8 per cent for GDS. As domestic financing barely covered 25 per cent of capital investment requirements, these countries depended heavily on external financial resources whose share averaged 11.5 per cent of GDP.

70. For the attainment of the objectives of the New Agenda, especially the GDP/growth target of 6 per cent per annum, attempts to project key components of resources required from both domestic and external sources have been made by the World Bank, ADB and ECA. The institutions concerned have used different base years, country groupings and assumptions regarding the growth trends over the years. The following represent a broad convergence of conclusions of their respective results:

(a) The resource gap for the region as a whole can only be filled with a combination of stronger domestic resource mobilization and rising flows of ODA, foreign direct investment and other external financial resources;

(b) Debt servicing will continue to absorb a substantial part of external resources under the prevailing rescheduling schemes;

(c) Far-reaching reforms must be implemented by African countries to increase domestic savings and attract more foreign direct investment.

71. There is a great concern that international support for Africa's economic recovery may not be forthcoming. Net transfers to Africa fell from $14.4 billion in 1990 to about $12.6 billion in 1991. Additionally, the terms of trade losses for Africa as a whole were estimated at $5.6 billion in 1991, or between 1.5 to 2 per cent of GDP.

72. There is now common agreement that Africa's debt issue cannot be dissociated from that of the resources necessary for the economic recovery and development of the region. In spite of substantial efforts made by bilateral donors for debt cancellation and debt rescheduling under the Toronto and enhanced Toronto terms, Africa's debt problem remains critical. The total indebtedness of the region had risen to about 93 per cent of GDP in 1992, and debt service now consumes about 32 per cent of Africa's exports of goods and services. It should be stressed that this average debt service ratio for the region as a whole conceals wide disparities. In 1991, debt service ratio was well above 40 per cent in a number of countries. Therefore, although the actual debt reduction schemes provided some relief to a sizeable number of low-income countries, the debt problem is such that it still represents a serious obstacle to sustained growth and development in a significant number of countries.

5. African socio-political transition

73. The issue of democracy has become the dominant feature of the African political scene. However, the transition towards democratic systems of governance is still fragile and its consolidation requires efforts by both African countries and their development partners to the following ends:

(a) Alleviating the existing widespread poverty and addressing the problem of high population growth rates by providing for basic human needs, such as decent nutrition, health care, including maternal and child health/family planning services, housing and education to the majority of African populations;

(b) Strengthening the still weak political and administrative structures that prevent most African Governments from establishing a national consensus; and

(c) Substantially reducing the disproportionate share of military expenditures in some national budgets, as well as the massive flow of arms to Africa.

74. The consolidation of the political transition process will also require broad popular participation in the decision-making process, as well as in the implementation of the necessary changes. This requirement is particularly important for women.

75. Other issues of great concern for Africa are the frequency of disasters, natural and man-made, poor health conditions, increasing drug abuse and trafficking, and the disregard of human rights. With respect to natural disasters, African countries lack the minimum safety net and the necessary mechanisms for crisis management. The high frequency of drought and subsequent crop failures increases the likelihood of populations being left destitute. There is a corresponding tendency to slow down overall economic activity so as to divert scarce resources to emergency operations.

76. Diseases that have been eradicated in other developing regions through preventive measures and the improvement of living conditions are still endemic in Africa. The incidence of malaria, cholera, meningitis and other tropical diseases remains intolerable. Among communicable diseases, acquired immune deficiency syndrome (AIDS) will have the greatest socio-economic consequences on Africa; in "AIDS in the World", 1993, WHO estimated that the infection will spread faster in Africa than in other regions, affecting from about 5.4 million people in 1990 to 33.6 million by the year 2000. UNICEF has also reported that the child mortality rate, which had been substantially reduced during the past decade because of successful immunization efforts, is again rising to the 1980 level because of childhood deaths from AIDS. Further, the World Bank indicated that while the impact of AIDS on population growth will be moderate, the disease could produce approximately 10 million orphaned poor children by the end of this decade.

77. Drug abuse and trafficking is a phenomenon that emerged during the 1980s throughout Africa and is rapidly spreading in the region, already posing a serious threat to economic recovery. Illicit drug trafficking by African nationals or involving major African ports and airports has increased substantially in recent years, as indicated by reported seizures and the arrest and prosecution of greater numbers of persons for drug-related offences. Equally serious, abuse is occurring with greater frequency in countries along transit routes, while illicit traffic in cocaine is spreading to hitherto untouched parts of the African continent. African Governments, with their limited means, do not have the capabilities to reverse these trends, which have also serious world impact. A concerted approach is therefore called for.

78. For many years the African political scene was markedly dominated by systems of governance that have often led to abuses, violations of human rights and gross injustices. In some cases, Governments have continued to oppress opponents and resisted popular demands for freedom of speech and association. The problem of refugees and displaced persons has been exacerbated by the lack of respect for freedom and the beliefs of individuals and groups. While the mounting democratization wave is associated with widespread freedom and respect for human rights, there is an overwhelming need to improve further the systems of governance vital to maintaining peace and stability, as well as governance that promotes development.

V. REINFORCING THE BASIS FOR THE IMPLEMENTATION OF THE NEW AGENDA

1. At the African national and regional levels

79. African countries have realized that their economies are characterized by structural handicaps that must be corrected. The social and the economic reforms being implemented are clear testimony of their commitment to bring about the necessary fundamental changes. These efforts need to be further nurtured and sustained by a combination of far-sighted political leadership, the creation of an enabling environment for both the effective participation of the people and the mobilization of domestic resources, and for attracting foreign direct investment.

80. However, as pointed out in the 1993 Trade and Development Report of UNCTAD, of the countries that carried out SAPs during the 1980s, only one ended its adjustment programme as a result of improved economic conditions. While it is true that adjustment takes time, this situation does not meet the original expectation of structural adjustment. In addition, the social costs of adjustment remains an issue to be examined.

81. To implement the New Agenda successfully, most of the necessary resources will have to be mobilized domestically. Therefore the domestic saving rates must be raised considerably. Specifically, private saving should be increased largely through an appropriate structure of incentives, while government expenditures should be restrained and tax collection systems improved in order to raise public savings. It will also require African countries to promote the establishment of efficient financial mediating institutions for mobilizing resources and channelling them to productive sectors.

82. African countries should also continue their efforts to ensure that the State functions to foster an environment conducive to sustained economic growth and social progress and provide the requisite physical and institutional infrastructures, as well as essential goods and services. Another important aspect of the redefinition of the role of the State would involve the decentralization of decision-making functions, improved accountability and facilitating initiatives of grass-roots and community-based organizations.

83. The underdevelopment of human resources in Africa is still an overriding impediment to development efforts. Hence, investing in human capital, improving public administration and basic social services and creating an environment in which the private sector can play an essential role in the economic transformation are of paramount importance. In particular, restructuring public expenditures in favour of rural and basic social services development should be given priority.

84. Despite laudable efforts, the high population growth rate in Africa is still of great concern. In this respect, African Governments must step up the implementation and delivery of their population programmes, especially in strengthening and expanding maternal and child health and family planning services. It is therefore essential to meet the set target of reducing maternal and infant mortality and total fertility in Africa by 50 per cent by the year 2015.

85. It has been pointed out earlier that Africa is faced with critical environmental problems. Bringing about a sustained improvement in the people's living standard will necessitate mitigating, circumventing and overcoming these problems and vulnerabilities. The major implication for African countries individually and collectively is to devise innovative strategies to integrate poverty alleviation and environmental concerns fully with a particular focus on agricultural development, drought and desertification control and the conservation and rational use of natural resources.

86. The concept of sustainable development requires that African countries devise development programmes that maximize the rate of economic growth and have positive impact on poverty alleviation, while preserving the environment. It will be necessary for African countries to strengthen further the institutions responsible for environmental matters, update and implement environmental legislation, support and promote non-governmental organizations as well as youth/women's organizations involved in environmental conservation and incorporate environmental concerns into school curricula.

87. Regional cooperation should aim at the optimal use of natural resources and the establishment of viable industrial infrastructures, appropriate administrative structures and research and training institutions that cannot otherwise be achieved in most individual countries. African countries should therefore boldly show their commitment to subregional and regional cooperation by the removal of the existing constraints and restrictions that stem from the political and economic fragmentation of the region. Thus, there is a need for Africa to achieve some key interrelated objectives, particularly integrating transport and communications infrastructures, production facilities and national markets; creating an environment that guarantees security, freedom and rights, and the promoting of cross-national initiatives and enterprises.

88. In this connection, while the subregional economic groupings are as viable today in the integration process as they were at the time of their creation in spite of some shortcomings, African Governments should now emphasize making these institutions effective instruments for forging the process of integration. In this respect, there is a need for the harmonization of their mandates, functions and operations with those of the Abuja Treaty, which is the blueprint for this process. The Treaty should remain a major agenda of Action for Africa in the 1990s, and its early entry into force will represent a decisive step towards regional integration.

89. Since the political environment in which the New Agenda can be successfully implemented is of paramount importance, African countries must pursue vigorous efforts in consolidating democracy and further adhering to the principles of good governance and the catalytic role of the State. The rising tide of democratic movement in Africa is a sign that a new era for political change is emerging within the region as the demand for a pluralistic system, accountability and freedom of speech is spreading fast over many countries. It is hoped that this movement will lead to social organization that is compatible with the efforts and sacrifices required for sustained development. There is also a dire need for African countries, individually or collectively, to establish a broad social consensus that will safeguard the region from devastating ethnic, racial or religious conflicts.

2. At the level of the international community

90. The challenges that Africa faces in the 1990s are enormous in view of the economic and political changes that confront the region. While many countries have adopted far-reaching measures often advocated by their development partners, their achievements cannot be sustained without adequate support from the international community. The international community must therefore demonstrate consistency and provide support commensurate with the magnitude of the reform undertaken. It should be emphasized that economic reform programmes, if made consistent with adequately funded long-term structural economic and social transformation programmes, will lead to improvements in the quality of life of the African people.

91. In endorsing the New Agenda, the international community has committed itself to supporting the efforts of African countries for economic recovery and development. The broad areas of international support for Africa's development have been identified in the various international programmes and African regional initiatives. They include mainly increasing resource flows, especially ODA and foreign direct investment; improving the external environment, particularly as it relates to commodity prices and market access; devising new initiatives with respect to Africa's external debt through further debt cancellation, the conversion of debt stock and debt service reduction for all categories of debtor countries.

92. With regard to the debt issue, it is noteworthy that a group of leading British parliamentarians has called for new measures on the part of the Group of Seven to reduce Africa's estimated $183 billion debt. The Group stated that "... the debt burden, more than any other issue, is undermining new opportunities for recovery ...". The Group also suggested a significant write-off of Africa's debt, and argued that "... what is needed is the adoption of the full Trinidad terms, reducing debt stock by two-thirds instead of the Enhanced Toronto terms of 50 per cent ...".

93. The technical assistance provided by Africa's development partners could be substantially improved if made more coherent and relevant to the actual needs of recipient countries. Technical assistance would have a sizeable impact if it contributed to the development of recipient countries' capacities to further design and implement their own development programmes. Thus, capacity-building should be the ultimate priority of technical assistance in the framework of the New Agenda. What is required is a comprehensive programme for building human capacities, including entrepreneurial skills, coupled with the development of a domestic base for scientific and technological progress and investment in the rehabilitation and expansion of physical infrastructures.

94. Emergencies brought about by drought, poor rains, environmental degradation, civil wars or other internal conflicts exacerbated the African crisis and prevented several countries from concentrating on efforts for economic recovery and development. While the traditional assistance of the international community, in the forms of provision of food and other essential commodities and services, has helped to save lives and alleviate mass suffering, it must go beyond purely humanitarian considerations, and also encompass rehabilitation and development in order to ensure sustainability and achieve long-term results.

3. At the level of the United Nations

95. The International Development Strategy for the Fourth United Nations Development Decade, which currently represents the broad framework for the policies and programmes of the international community, encompasses the objectives of the New Agenda. The United Nations system should therefore play an important role in its implementation. To this end, there is a need for greater coordination among various policies and programmes within the system, especially in Africa, so as to increase efficiency. Thus, on the basis of the comparative advantage of various agencies, some activities may be terminated, so that resources be directed primarily to poverty alleviation, social development and environmental protection.

4. Coordination and harmonization for enhanced cooperation in the implementation of the New Agenda

96. It is essential to consolidate the harmonization and coordination of the implementation of the New Agenda. In this regard, actions are required both within and outside the Africa region.

(a) At the international level

97. The multiplicity of action programmes are no doubt evidence of the continued concern of the international community about Africa's plight. However, it may lead to lack of focus and to excessive demand on the same international partners. It is therefore necessary to establish a framework for coordination and harmonization of actions that is widely accepted by all concerned parties. This is a major objective of the Panel of High-level Personalities on African Development.

(b) At the level of the United Nations

98. During recent years, system-wide cooperation and coordination within the United Nations system have been subject to extensive exchanges of views. The existing machinery of the Administrative Committee on Coordination has provided ample opportunities for close consultations among United Nations bodies. Further improvement for harmonization includes:

(a) The strengthening of cooperation between the Bretton Woods institutions and the other bodies of the system that provide technical assistance and implement projects and programmes supported by multilateral concessional ODA or grants;

(b) The reform of the performance reporting system to induce cross-organizational activities and to reflect the effectiveness and impact at the system-wide level rather than that of its individual components.

(c) At the African regional level

99. It is essential that national policies be incorporated in the relevant elements of the global agreements that favour Africa. Hence, well-established operational mechanisms at the national level are of particular importance for efficient delivery of international assistance. In this regard, African countries should establish a consultation mechanism among relevant ministries, and develop a unified decision-making process for international cooperation. In addition, so that the international community will increasingly support regional integration, African countries should harmonize and coordinate their policies with respect to cross-national projects and programmes.